

AFTER HOURS TRADING EXCLUSION

Insurers shall not be liable to make any payment in connection with any Claim (for purposes of this endorsement, to include any civil, criminal or regulatory investigation) based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving, Late Trading or Market Timing in the trading of mutual fund shares.

For the purposes of this endorsement, Late Trading shall mean:

- (1) placing orders to buy or sell mutual fund shares after the close of a trading day, but receiving the price based on the mutual fund's Net Asset Value for that day of trading; or
- (2) violations of laws, rules or regulations relating to the rules of forward pricing; or
- (3) allegations that after the close of trading, hedge funds or other investors were allowed to cancel orders of mutual fund shares or securities that were made prior ~~to~~ the close of trading; or
- (4) the types of late trading practices described in the 3rd September 2003 complaint filed by the New York Attorney General in the action styled State of New York v. Canary Capital Partners, LLC et al., Supreme Court of the State of New York

For the purposes of this endorsement, Market Timing shall mean:

- (1) intentionally permitting Short-Term Trading of mutual fund shares; or
- (2) Written or oral representations regarding the use of Short-Term Trading or timing trading techniques in a mutual fund's shares, or written or oral representations regarding the mutual fund's efforts to monitor or prevent Short-Term Trading or timing trading in its shares; or
- (3) the receipt of fees or other compensation in exchange for trading privileges not available to other investors in mutual fund shares; or
- (4) the types of market timing practices described in the 3rd September 2003 complaint filed by the New York Attorney General in the action styled State of New York v. Canary Capital Partners, LLC, et al., Supreme Court of the State of New York.

For the purposes of this endorsement, Short-Term Trading shall mean selling or exchanging shares in a mutual fund less than 60 days after its purchase, or any other period of time greater than 60 days if so described by the mutual fund as Short-Term Trading.



INTENTIONAL CORPORATE ACTS EXCLUSION

Underwriters shall not liable to make any payment in connection with any Claim for any intentional, Corporate or Business Policy.

Corporate or Business Policy shall mean any policy which has been approved, condoned or endorsed by two or more of the Insured's Management and which,

- (a) financially disadvantages all of the Insured's clients or any group or class of the Insured's clients, and
- (b) which results in the Insured making a financial gain to which they were not entitled, whether returned to the client(s) or not.

The Insured's Management shall be deemed to be the Insured's Group Management Committee and their direct reportees

All other terms and conditions remain unchanged.



LINES CLAUSE

This Insurance, being signed for 50% of 100% insures only that proportion of any loss, whether total or partial, including but not limited to that proportion of associated expenses, if any, to the extent and in the manner provided in this Insurance.

The percentages signed in the Table are percentages of 100% of the amount(s) of Insurance stated herein.

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SEVERAL LIABILITY NOTICE

The subscribing insurers' obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.

LSW1001 (Insurance)


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17th Feb 05